

Message Text

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ACTION NEA-10

INFO OCT-01 ISO-00 OES-07 HEW-04 EB-07 COME-00 CIAE-00
INR-07 NSAE-00 TRSE-00 OMB-01 SP-02 /039 W
-----030054 212233Z /66
R 211554Z JUN 77
FM AMEMBASSY CAIRO
TO SECSTATE WASHDC 6425

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E.O. 11652: N/A
TAGS: ECON, EGIN, TBIO, EG
SUBJECT: MINISTER OF HEALTH ON PHARMACEUTICAL PRICE INCREASES

REF: A. CAIRO 9316, B. CAIRO 10026

1. MINISTER OF HEALTH IBRAHIM BADRAN TOLD SCIATT JUNE 19 THAT PHARMACEUTICAL/MEDICINAL SECTOR WAS DELIBERATELY CHOSEN (WITH CONCURRENCE OF PRIME MINISTER) AS "TEST AREA" FOR REDUCTION OF GOVERNMENT SUBSIDIES. PRICES OF MANY PHARMACEUTICALS RECENTLY ROSE 30 PERCENT BECAUSE OF INCREASED COSTS, ASSOCIATED WITH IMPORT OF RAW MATERIALS AT PARALLEL MARKET RATE, WHICH WERE NOT COVERED BY INCREASING EXISTING PRODUCTION SUBSIDY. ACCORDING TO MINISTER BADRAN, SECTOR WAS SINGLED OUT BECAUSE IT IS SUBDIVIDED INTO SEVERAL CATEGORIES WITH VARYING DEGREES OF "ESSENTIALITY" AND PARTLY BECAUSE IT IS OUTSIDE OF ECONOMIC BLOCK OF MINISTRIES AND FUNCTIONS FOR WHICH DR. KAISSOUNI IS RESPONSIBLE. (FYI: BADRAN SAID THAT CONTRIBUTING FACTOR TO USING PHARMACEUTICALS AS TEST CASE WAS ALSO THAT KAISSOUNI IS NOT IN BEST OF HEALTH AND WAS NOT UP TO FULL BATTLE ON WHOLE SUBSIDIES ISSUE, ALTHOUGH TIME HAD COME TO MOVE FORWARD WITH LIMITED REFORMS. END FYI).

2. BADRAN DOES NOT RELISH BEING "POINT MAN" FOR GOE ECONOMIC REFORM. HE ADMITS, HOWEVER, THAT STEP HAD TO BE LIMITED OFFICIAL USE

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TAKEN. IF "SUBSIDY REDUCTION" STICKS IN PHARMACEUTICAL AREA, BADRAN EXPECTS IT TO BE APPLIED, AT LEAST SELECTIVELY, IN OTHER AREAS. HE FEELS CRITICISM IN PEOPLES ASSEMBLY IS DIMINISHING AND WILL FADE AWAY IN A FEW WEEKS.

3. COMMENT. BADRAN'S STATEMENT ON GOE'S DELIBERATE APPROACH TO SUBSIDY REDUCTION IS REVEALING. AS HE NOTES,

MINISTRY OF HEALTH IS OUTSIDE OF ECONOMIC AREA, AND
KAISSOUNI AND HIGHER LEVELS HAVE NOT BEEN VISIBLY OR
DIRECTLY ASSOCIATED WITH BADRAN'S ACTION. IF PRICE
INCREASES DO NOT "TAKE" HERE, GOE PARTICULARLY ECONOMIC
MINISTERIAL GROUP, MIGHT CUT POLITICAL LOSSES BY BLAMING
BADRAN, A POSSIBILITY SEEMINGLY NOT LOST ON THE MINISTER
OF HEALTH.
EILTS

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PERSONAL OPINION, DRUG INDUSTRY, PRICE TRENDS
Control Number: n/a
Copy: SINGLE
Sent Date: 21-Jun-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977CAIRO10386
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770221-1172
Format: TEL
From: CAIRO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770637/aaaabfwc.tel
Line Count: 70
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 87596479-c288-dd11-92da-001cc4696bcc
Office: ACTION NEA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 77 CAIRO 9316, 77 CAIRO 10026
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 24-Jan-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2086802
Secure: OPEN
Status: NATIVE
Subject: MINISTER OF HEALTH ON PHARMACEUTICAL PRICE INCREASES
TAGS: ECON, ECEM, TBIO, EG, (BADRAN, IBRAHIM)
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/87596479-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009